

Factsheet on Road-based Public Transport Modes including Non-franchised Buses

Overall Policy Framework

Hong Kong has a comprehensive public transport system comprising a variety of modes viz railways, franchised buses, public light buses (“PLBs”), taxis, ferries, trams and non-franchised buses (“NFBs”). Our transport policy has always been to maintain a balanced public transport system with coordination among the different modes, to ensure the provision of safe and efficient services to the community and to allow reasonable “living space” for individual modes.

2. Given our limited road space and the community concerns about environmental impact from road transport, priority is accorded to the mass carriers viz railways and franchised buses, and the railways will form the backbone of Hong Kong’s transport system. The other modes perform a supplementary role in the public transport system. Such a well-coordinated public transport system has been serving our community efficiently, minimizing wasteful competition and minimizing adverse effects on road traffic and our environment.

Roles and Functions of Road-based Public transport Modes

3. Within this framework, franchised buses will continue to be an important public transport mode providing services to areas not conveniently served by the railways and choice to the passengers, and the role of franchised buses as feeders to the railways will be strengthened.

4. The other public transport modes will supplement the railways and franchised buses. The role and functions of PLBs, taxis and non-franchised buses are summarised below –

- (a) PLBs – The total number of PLBs has been frozen at 4,350 since 1976 and Government has been pursuing to convert the red minibuses into green minibuses (“GMB”). Appendix 1 shows the progress of GMB conversion. Our established policy is to encourage the provision of scheduled PLB service on fixed routes in the form of GMBs which provide connecting services to railway stations or public transport interchanges, and serve areas where patronage cannot sustain the provision of services by high capacity carriers or where franchised bus services are not economical or are constrained by road terrain.

- (b) Taxis – The three types of taxis viz. urban, NT and Lantau taxis, provide personal services to passengers at a premium fare. The fleet size of urban and NT taxis have remained unchanged at 15,250 and 2,838 respectively since 1994, while that of Lantau taxis has remained unchanged at 50 since 1997. Appendix 2 shows the details.
- (c) Non-franchised buses (NFBs) – They are to serve areas where the regular public transport services cannot adequately meet passenger demand and to serve specific clienteles. The supplementary role of NFBs include:
- (i) helping relieve heavy demand on the franchised bus and GMB services primarily during the peak hours;
 - (ii) providing tailor-made service to specific groups of passengers, for example hotel service, cross-boundary trips, student service and employees’ service; and
 - (iii) filling gaps of passenger demand which cannot be met viably by franchised bus service or green minibuses.

Expansion of Non-franchised Bus Operation vis-à-vis the Other Modes

5. NFB services are authorised under Passenger Service Licences (“PSL”) issued by Transport Department. A PSL may authorize the holder to operate the following NFB services:

- Tour Service (A01)
- Hotel Service (A02)
- Student Service (A03)
- Employees’ Service (A04)
- International Passenger Service (A05)
- Residents’ Service (A06)
- Multiple Transport Service (A07)
- Contract Hire Service (A08)

6. Some degree of flexibility is allowed to NFB operation by granting endorsement for operation of more than one type of NFB services to a PSL holder so that the NFBs can perform their role efficiently and effectively. Due flexibility is also exercised by TD in response to requests by the NFB trade in processing applications for PSL to operate NFB services.

During the last 5 years between 1998 and 2003 (up to September), the registered fleet size of NFBs increased from 5,868 to 7,047, representing an increase of 20%. The greatest growth in NFBs is in the hotel service (+267%) and contract hire services (+120%) while student service (+40%), international passenger service (+29%), tour service (+29%) and residents' services (+21%) also registered an above-average growth. The chart at Appendix 3 shows these changes in detail.

7. The expansion in the NFB fleet far exceeded that of the other road-based modes. During the same period between 1998 and 2003 (up to September), there was only an increase of 5% in the number of franchised buses from 6,018 to 6,319. Appendix 4 compares the change in registered fleet size of the franchised buses and NFBs over the same period.

Recent Concerns about Regulation of NFB operation

8. Recently, individual operators of NFB services have gone beyond their established scope of operation and taken on new form of services which are not in accordance with the spirit and intent of the legislation and policy. Regrettably, the flexibility allowed to NFB operation has been abused by a few NFB operators. Whilst such services may provide alternative services to passengers, their mode of operation would undermine the regular transport services. This would not be in the long term interest of the public. It is important to maintain regular transport services and allow them to operate in a level playing field since they provide steady and reliable services in terms of routeing, fares and frequencies.

9. To address this problem, the Government will continue its efforts in tackling unauthorised services. The Transport Advisory Committee has also been invited to conduct a review on the licensing and regulatory framework for NFB operation. The review would consider and recommend how we should strengthen the regulatory and licensing framework for NFBs, including the operation of contract hire services which cover free bus services. It would also examine ways to enhance the enforcement process to ensure that NFBs would operate properly. It is hoped that the review would be completed in about six months.

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